

## Full-year revenue growth: +45%, of which +16% on a like-for-like and constant forex basis

Revenues (€m) (unaudited consolidated data)	2016/17	2015/16	Change on a like-for-like and constant forex basis <sup>(1)</sup>	Reported change
9 months	248.2	145.7	+14%	+70%
Q4	90.8	87.4	+22%	+4%
<b>Total 12 months</b>	<b>339.0</b>	<b>233.0</b>	<b>+16%</b>	<b>+45%</b>

<sup>(1)</sup> excluding Arthus Tech (consolidated since 07/01/15) and the European activities of Kurt Salmon\* (since 01/01/16).

Wavestone reported consolidated revenue of €90.8m in Q4 2016/17.

On a like-for-like and constant forex basis, organic sales growth came out at 22% for the period. This performance factors in a positive working day impact of 3% stemming from 2 more working days than in Q4 2015/16. At the consolidated level, revenues rose 4% over the quarter.

Full-year revenue advanced 45% in fiscal 2016/17 to €339.0m, up 16%, on a like-for-like and constant forex basis.

### Pricing trends favorable in 2016/17 but deterioration in utilization rate of Kurt Salmon European activities\*

The utilization rate of Kurt Salomon's European activities\* remained under pressure in Q4. For the twelve-month period in fiscal 2016/17, this came out at 68%, compared with 69% over the first nine months.

As for the rest of the Group, after a slowdown in January and February, business trends picked up in March and the utilization rate over the full year stood at 83%, stable on 2015/16.

The average daily rate of Kurt Salmon's European activities\* narrowed to €1,051 from €1,062 in Q4 2015/16 (when they were first consolidated). Prices for the rest of Wavestone, however, continued to advance coming out at €774 at the end of the period, up 4% year-on-year.

Excluding Kurt Salmon's European activities\*, the order book stood at 3.3 months at end-March 2017 compared with 3.2 at end-December 2016.

The Company was unable to communicate any information concerning its consolidated indicators throughout fiscal 2016/17 since the data relating to the two scopes were not comparable due to differences in the firms' financial rules. Wavestone is currently rolling out a new ERP system which will provide the Group with a set of unified indicators as of Q1 2017/18.

### Growth in headcount, despite high turnover rate for Kurt Salmon European activities\*

Despite a reduction in the number of resignations at the end of the year, the annual staff turnover rate for Kurt Salmon's European activities\* was particularly high, coming out at 33% over the year.

For the rest of Group, this remained at a low level of 12% over the year.

Wavestone maintained its strong recruitment drive across the entire firm hiring over 600 staff members over the period (young graduates and experienced consultants).

At end-March 2017, Wavestone's headcount had increased to 2,628 employees (2,511 at end-March 2016), including 723 employees at Kurt Salmon's European activities (777 at end March 2016).

### **2016/17 guidance on income on ordinary activities confirmed**

The impact of measures taken to improve the operating performances and staff turnover rate of Kurt Salmon's European activities\* is taking time to feed through. The unification, as of April 1, of management and company-management processes, together with the roll out of Wavestone's new ERP system and Human Resources model and processes will serve to make the Company's actions more efficient. Nevertheless, Wavestone remains cautious as to when the impact of these measures will feed through.

After a lackluster Q4 in 2016/17, annual revenue fell slightly short (-0.3%) of the €340m full-year objective given at the beginning of the year.

On the other hand, Wavestone has reiterated its objective to report operating income on ordinary activities of over €34m in 2016/17, implying a double-digit EBIT margin.

**Upcoming events:** Publication of annual 2016/17 results: Wednesday, May 31, 2017 after Euronext market close.

### **About Wavestone**

*In a world where permanent evolution is the key to success, Wavestone's mission is to enlighten and partner business leaders in their most critical decisions.*

*Wavestone draws on some 2,500 employees across four continents. It is a leading player in European independent consulting, and ranks number one in France.*

*Created out of the merger, at the beginning of 2016, of Solucom and Kurt Salmon's European activities (excluding retail & consumer goods consulting), Wavestone is a company listed on Euronext Paris and eligible for the PEA-PME – a French investment instrument that encourages individuals to invest in smaller and intermediate firms. In 2017, Wavestone was labeled a Great Place To Work®.*

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